

TS #141612-e  
IAC-D-55/12  
Final  
3 September 1957

ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL  
ON THE  
STATUS OF THE FOREIGN INTELLIGENCE PROGRAM  
(as of 30 June 1957)

Submitted by  
Intelligence Advisory Committee

September 1957

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SUMMARY

Evaluation of U. S. Capabilities to Provide

Warning of Attack

The difficulties for intelligence in giving warning prior to the launching of a Soviet attack against the U. S. or U. S. forces are increasing. This is true particularly because the USSR's growing strength in advanced weapons--modern jet aircraft, guided missiles, submarines, and nuclear bombs and warheads--is increasing from year to year Soviet capabilities for large-scale surprise attack.

At present, as a rough estimate, a force up to [ ] aircraft could probably be launched concurrently without producing indications permitting intelligence to give warning of possible attack. Generally speaking, the probability of obtaining warning indications would increase as the numbers of aircraft increased. There is no basis for judging at what point the chances of receiving warning indications would be about even; it is believed, however, that if the number of aircraft launched concurrently was as great [ ] the chances of their producing warning indications would be considerably greater than even. If received, these indications would probably permit intelligence to warn of a possible attack some [ ] before attacking aircraft could reach radar warning lines.

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Warning of possible attack in Western Europe by Soviet forces stationed in Germany might range from a few hours to a week, de-



If a Soviet attack was preceded by full mobilization of the USSR's military establishment, warning of possible attack could probably be given a few weeks in advance. Intelligence might during the course of mobilization be able to forecast the approximate date at which military preparations would be complete, but it would always be possible for the USSR to attack with its ready forces at an earlier date.

Warning of attack by clandestine means would depend primarily on the possibility that some part of the Soviet clandestine plan had miscarried or on chance discovery. Thus, there could be no assurance that intelligence would be able to warn of such forms of attack.

Once surface-to-surface guided missiles were positioned for launching, advance warning of their use would be unlikely.

With respect to the warning problem, the Intelligence Advisory Committee has undertaken a survey of sources of warning information to determine how fully and promptly present and potential collection methods, sources, and transmission channels can provide information essential to advance warning of Sino-Soviet Bloc hostile action.

### Evaluation and Estimates

#### A. Soviet Bloc

With respect to developments in the Soviet Bloc, the struggle for dominance within the Soviet leadership since Stalin's death resulted in an increasing exposure to intelligence of the inner workings of the regime and of the issues which divide the leadership. The public justifications made by the victorious factions in the successive crises since 1953 have enabled intelligence to check its

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information and thus to formulate its views on a sounder footing of evidence. This does not mean that we are in a very much better position to predict particular developments in the USSR, such as the rise or fall of individual personalities, but it does mean that we can delimit more confidently the range of possible developments on the Soviet internal scene. Similarly, the relatively greater openness of discussion in the USSR and the greater accessibility of Soviet personalities at all levels have given us a better insight into the motivations and tactics of Soviet foreign policy. However, these gains are more significant for short-term estimates than for long-term ones. The Soviet leadership, for example, seems likely to be presented with difficult choices of policy. Already it must reconsider its economic policies at a time when military costs and the claims of consumption are pressing ever harder on the traditional priority given to investment to sustain a high rate of economic growth. It must reconsider the shape of its military programs during a period of revolutionary change in weapons. Relations with the restive Satellites and Communist China have evidently called for redefinition. There is evidence that the regime has increasing difficulty in retaining the loyalty of students and intellectuals and needs to provide more nourishing ideological fare. Such fundamental problems affecting future developments in the USSR are extremely complex, slow-moving in their resolution, and do not lend themselves readily to reliable estimating on the basis of the kinds of evidence ordinarily available to intelligence.

In the field of military intelligence, valuable additional information was obtained on the Soviet military establishment, including data on those elements posing the most direct threat to U. S. security interests. Military intelligence information on the Sino-Soviet Bloc is adequate to support broad assessments of the current capabilities of the armed forces of those countries and to discern general trends in their development. This information, however, remains inadequate in critical fields to provide a firm intelligence basis for U. S. military plans, operations, and research and development. Moreover, the rapidity of change in military technology is increasing our difficulties in collecting hard evidence to support future projections of Soviet military capabilities. Extensive travel by U. S. Service attaches, as

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well as thorough exploitation of open source materials and defectors from the Bloc, have resulted in gains in certain categories of military information despite Bloc security measures. A continued expansion of clandestine activities is being undertaken to intensify the collection of military intelligence on the Sino-Soviet Bloc. Increased attention is also being given to the development of scientific and technical equipment and methods for overcoming security measures in target areas.

Gains in economic intelligence on the Sino-Soviet Bloc have resulted from a growing return on our effort in research and analysis over several years and from a continuing increase in published data within the Bloc, particularly the USSR. Serious deficiencies remain, however, particularly as related to the extent, cost, and economic burden of Bloc military programs. To reduce this deficiency indirect research techniques have been developed.

There has been continued improvement in scientific intelligence on the Sino-Soviet Bloc, both through research and through information gained from increased contacts with Soviet nationals. During the past year, significant information has been obtained on Soviet nuclear weapons testing, but there is inadequate information on Soviet production of fissionable materials and nuclear weapons. Although there has been a continued improvement in the quality of our guided missile intelligence information, it is still inadequate to meet our minimum intelligence requirements. Highest priority continues to be given to this problem, with special emphasis being placed on technical collection methods.

#### B. Non-Bloc Areas

The periodic preparation of National Intelligence Estimates and Special National Intelligence Estimates on Non-Bloc areas, constituting a substantial proportion of all estimates published during the period, has been directed towards providing a meaningful measure of probable political, economic, and military developments bearing upon U.S. security interests. As a result of its continuing program of current intelligence research and analysis of political, economic, and military affairs throughout the world the IAC has also been able to

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provide advance intelligence support to policy-makers at all levels of the government regarding significant trends and events. Support in depth of both policy-making and policy-executing arms of the government has continued through the production of basic intelligence studies including the NIS series.

### Collection

The list of Priority National Intelligence Objectives was again revised and continued to emphasize Sino-Soviet strategy, intentions or plans related to the initiation of hostilities. The highest priority was also assigned to Soviet capabilities for nuclear attack, defense against air (including missiles) attack, and the clandestine delivery of nuclear, biological or chemical weapons against the U. S. or key U. S. overseas installations. There was intensive exploitation of new collection opportunities including increased travel in some areas, more open discussions in the USSR and Satellites, greater availability of certain types of Soviet Bloc publications, access to Hungarian refugees and the general stimulation to collection activities arising from the Middle Eastern and Eastern European crises. Intelligence gains also resulted from better technical collection techniques and from a general improvement of collection capabilities, both overt and clandestine.

Despite these gains, deficiencies continue to exist in many fields, particularly with respect to our collection activities directed against the Sino-Soviet Bloc. Increased opportunities for travel in presently restricted areas, freer access to Bloc personalities or publications and a general improvement in existing collection and processing facilities show promise of reducing political and economic intelligence deficiencies. Further development of our technical collection techniques and expanded clandestine efforts will be necessary to reduce significantly critical deficiencies in the military and scientific and technical fields. In any event, factors such as security restrictions and rapidly advancing technology will continue to limit our ability to achieve a significant reduction in our most critical intelligence deficiencies by an early date.

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regular exchange of views, at the highest level in the intelligence community, on matters of both immediate and long-range intelligence interest. The new procedure has also assisted in scheduling estimates, and has provided a mechanism for inspiring suggestions and crystallizing the community viewpoint with respect to matters on which the Director of Intelligence may brief the National Security Council.

6. Taiwan Strait Coverage

The Ad Hoc Current Intelligence Group for the Taiwan Strait Problem, established by the IAC in March 1955 in response to the President's desire for coordinated intelligence coverage of this area, continues to meet regularly, at least once a month. Since early December 1956 its reports have been prepared on a monthly basis, except during June 1957 when two reports were issued because of unusual military activity in the area. The Group also prepared a special assessment of intelligence related to Chinese Nationalist intentions in February 1957.

7. The Arab-Israeli Situation

The Ad Hoc IAC Working Group on the Arab-Israeli Situation, which was set up in March 1956, assisted in meeting the increased intelligence requirements arising from the Middle Eastern crisis. The Group, whose work supplemented that of the Watch Committee and the individual IAC agencies, issued four complete revisions of its basic report during the past year.

B. Evaluation and Estimates

1. National Intelligence Estimates (NIE's)

a. Production of NIE's continued to be guided largely by the needs of the NSC and related bodies. Of the 57 NIE's published during the last year, 35 were related to specific NSC papers or policy actions.

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## 2. National Intelligence Surveys (NIS)

a. During the year NIS production essentially fulfilled the Joint Chiefs of Staff (JCS) annual production requirement, and brought the total of the NIS production thus far to over 3,700 sections. This represents more than 65 percent of the total world coverage, and on the JCS high priority areas coverage is now over 90 percent complete. Nearly one-third of the production effort during the year was directed towards maintenance revision of published NIS sections.

b. A major accomplishment this year has been the comprehensive revision of the NIS Standard Instructions, and the development of the NIS Reference Guide to provide for a better understanding and more effective use of the NIS among the growing body of NIS recipients. Other noteworthy activities during the year included the production of the NIS on the Arctic two years ahead of schedule, the attainment of world-wide NIS Gazetteer coverage on all foreign areas, and the development by the Defense agencies of formal NIS Control and Coordination Directives.

c. In summary, this has been a year of solid accomplishment, characterized by excellent interagency support and coordination, and reflecting a gradual improvement in collection guidance and acquisition, better administrative controls, and more efficient interagency procedures.

d. If present production capabilities are maintained the NIS program will meet the JCS annual requirement for the next three years. This would result in 85 percent to 90 percent coverage of world areas by 30 June 1960, and the revision of one-third of all published NIS under the maintenance program.

## 3. Military Intelligence

a. Military intelligence information on the Sino-Soviet Bloc is adequate to support broad assessments of the current capabilities of the Armed Forces of those countries and to discern general trends

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b. Political intelligence on the USSR and the Satellites has continued to show some improvement, principally due to factors such as revelations incident to factional struggles in the USSR, the appearance of opposition forces in the Satellites and the greater freedom of diplomatic and other forms of contact which have developed in the post-Stalin period. With respect to Communist China, political intelligence remains a major problem and is still highly inadequate for an assessment of Communist China's motives and possible future actions.

c. Political intelligence during the past year was characterized particularly by the unusual demands on resources generated by the Middle Eastern and Eastern European crises. More active Soviet participation in affairs of the Middle East and the expanding Soviet "economic offensive" have created continuing burdens. Despite these growing responsibilities, high-level governmental requests and essential requirements of the intelligence community for political intelligence have generally been met.

#### 5. Economic Intelligence

a. Economic intelligence on the Sino-Soviet Bloc has improved as a result of exploitation of the greater volume of economic data published by a number of Bloc countries during the year. This has permitted the filling of important gaps in intelligence, and has provided a firmer basis for estimates of future economic activity. For example, one important result has been a downward revision in estimates of the Soviet population and labor force available to carry out ambitious economic plans.

b. Serious deficiencies still remain, however, in the availability of information on some Bloc economic activities, particularly those related to military production and programs. This latter deficiency has led to the development of indirect research techniques for estimating the extent, cost, and economic burden of Bloc military programs. The economic estimates so obtained, while subject to a substantial margin of error, do provide an independent check on military estimates derived by conventional means. These economic

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estimates were helpful in arriving at estimates of the size and composition of the guided missile, air defense and heavy bomber weapons systems. Similar techniques are being applied to the economic analysis of the Soviet nuclear energy program.

c. An increasing volume of reports has been published on current economic developments in the Bloc, including special evaluations of developments in Poland and Hungary, and appraisals of the reorganization of the Soviet economy and its effect on economic capabilities. Economic intelligence has also provided support to the London disarmament negotiations, the Paris negotiations relating to controls on trade with Communist China, the Washington talks on US-Polish trade and assistance, and consideration of US-Bloc exchange visits.

d. Interagency coordination of economic research through the Economic Intelligence Committee of the IAC has continued. Coordinated reports have been issued on Communist China's trade and transport, Sino-Soviet Bloc economic activities in underdeveloped areas, and other subjects. The current status of economic intelligence has been reviewed as a guide for programming by the individual agencies. The EIC prepared a revised statement of "Priority National Economic Intelligence Objectives" for guidance in economic intelligence collection and production. CIA has arranged to provide annual production data for certain Soviet industries in support of Air Force targeting studies, thereby obtaining more efficient utilization of community resources in this field of research.

e. With respect to economic intelligence on Free World areas, important shifts in emphasis have occurred. The prolonged crisis in the Middle East, for example, resulted in greatly increased demands on intelligence agencies for research on the economic affairs of that area. As a result of the closing of Suez and the threat to pipelines, additional research was directed to world-wide petroleum problems. Special attention has been given to the economic problems of countries susceptible to Sino-Soviet Bloc economic penetration and to the inter-relations between economic development and political factors in these countries.

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will review, at a working level, significant electronics intelligence developments occurring since the last conference in April 1956.

## 7. Geographic Intelligence

a. A new interagency program has been initiated in support of unconventional warfare planning. Geographic intelligence is contributing to this program by the selection and analysis of areas within the Sino-Soviet Bloc that fulfill multi-purpose unconventional warfare requirements.

b. As a consequence of Soviet activities in Antarctica, conducted in association with the International Geophysical Year Program, attention has been directed to the appraisal of advantages that might be gained by the USSR from its Antarctic operations, particularly with respect to its possible territorial aspirations and bipolar geodetic research as an aid to its long-range guided missile program.

## C. Collection

### 1. Priority National Intelligence Objectives

In accordance with NSCID No. 4 the list of Priority National Intelligence Objectives was again revised (DCID 4/6). First Priority Objectives continued to emphasize Sino-Soviet strategy, intentions or plans related to the initiation of hostilities. The highest priority was also assigned to Soviet capabilities for nuclear attack, defense against air (including missiles) attack, and the clandestine delivery of nuclear, biological or chemical weapons against the U.S. or key U.S. overseas installations. These priority objectives provide the basic guidance for reappraising collection requirements and planning intelligence production throughout the intelligence community. They have also furnished a stimulus and framework for the development of more refined priority objectives in the economic and scientific and technical fields, as well as in the sphere of international communism.

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9. International Communism

The Committee on International Communism, established by the IAC in January 1956, completed its examination of intelligence production and collection in the field of international communism. It concluded that while both fall far short of the ideal, both are reasonably close to attainable limits at the present time. The Committee has formulated a system of priorities designed to facilitate collection of needed intelligence information. It has also agreed upon a new procedure for the development of coordinated clandestine collection requirements to help fill existing gaps in intelligence on international communism.

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